

**CITY OF ANNAPOLIS, MARYLAND
BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2005

With Comparative Totals for June 30, 2004

Exhibit 3

ASSETS	General	Capital Projects	Special Revenue	Totals	
				June 30, 2005	June 30, 2004
Cash and cash equivalents	\$ 514,562	\$ -	\$ -	\$ 514,562	\$ 13,108,872
Investments	403,313	-	-	403,313	3,713,774
Receivables, net of allowances of \$150,156	2,244,824	2,776,765	85,491	5,107,080	2,398,028
Due from other funds	13,826,752	-	-	13,826,752	6,101,010
Inventories	140,241	-	-	140,241	133,031
Prepaid items	20,965	-	-	20,965	23,657
Total assets	<u>\$ 17,150,657</u>	<u>\$ 2,776,765</u>	<u>\$ 85,491</u>	<u>\$ 20,012,913</u>	<u>\$ 25,478,372</u>
LIABILITIES					
Accounts payable	\$ 634,082	\$ 224,923	\$ 9,728	\$ 868,733	\$ 1,250,691
Accrued payables and other liabilities	1,631,214	69,027	13,399	1,713,640	1,594,211
Due to other funds	-	1,695,382	61,858	1,757,240	28,997
Deferred revenues	835,266	-	506	835,772	223,000
Escrowed funds	3,161,451	-	-	3,161,451	3,647,552
Total liabilities	<u>6,262,013</u>	<u>1,989,332</u>	<u>85,491</u>	<u>8,336,836</u>	<u>6,744,451</u>
FUND BALANCES					
Reserved for:					
Encumbrances	\$ 211,844	\$ 8,445,362	\$ 1,906	\$ 8,659,112	\$ 4,134,005
Inventories and prepaid items	161,206	-	-	161,206	154,230
Unreserved:					
Designated for subsequent years' expenditures:					
Capital projects	1,082,350	-	-	1,082,350	3,714,590
Capital improvement plan	3,100,000	-	-	3,100,000	4,440,000
Self insurance	1,306,891	-	-	1,306,891	1,381,730
Undesignated (deficit)	5,026,353	(7,657,929)	(1,906)	(2,633,482)	4,909,366
Total fund balances	<u>10,888,644</u>	<u>787,433</u>	<u>-</u>	<u>11,676,077</u>	<u>18,733,921</u>
Total liabilities and fund balances	<u>\$ 17,150,657</u>	<u>\$ 2,776,765</u>	<u>\$ 85,491</u>	<u>\$ 20,012,913</u>	<u>\$ 25,478,372</u>

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

Total Governmental Fund Balances	\$ 11,676,077	\$ 18,733,921
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	41,297,290	33,848,114
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds	835,772	223,000
The net effect of Internal Service Fund transactions.	435,311	597,522
Long term liabilities, including bonds payable, long term compensated absences and self insurance, are not due and payable in the current period and therefore are not reported in the funds.	(20,960,879)	(21,618,790)
Effective restatement of self insurance liability	-	(1,035,868)
Net assets of Governmental Activities	<u>\$ 33,283,571</u>	<u>\$ 30,747,899</u>

The accompanying notes to the financial statements are an integral part of this statement.